State of California—Health and Human Services Agency
Department of Health Care Services

Jennifer Kent
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

SEP 29 2015

Ms. Henrietta Sam-Louie
Acting Associate Regional Administrator
Division of Medicaid and Children's Health Operations
Centers for Medicare & Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

Dear Ms. Sam-Louie:

The Department of Health Care Services (DHCS) is submitting the enclosed State Plan Amendment (SPA) 15-027 to update the geographic area offering Targeted Case Management (TCM) services for the "Medically Fragile Individuals" TCM group. The effective date of the SPA 15-027 will be July 1, 2015.

The revisions were made based on Mendocino County's request to participate in "Medically Fragile Individuals" TCM group.

If you have any questions or concerns regarding the proposed provisions, please contact John Mendoza, Chief, Safety Net Financing Division, (916) 552-9130.

ORIGINAL SI

Mari Cantwell
Chief Deputy Director, Health Care Programs
State Medicaid Director

Enclosures

cc: John Mendoza, Chief
Safety Net Financing Division

cc: Michelle Kristoff, Chief
Medi-Cal Administrative Claiming Section

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: **15-027**

2. STATE: California

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2015

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:
Section 1915(g)(1) Social Security Act

7. FEDERAL BUDGET IMPACT:

a. FFY 2015/2016	$258,555
b. FFY 2016/2017	$535,354
c. FFY 2017/2018	$603,383

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

SUPPLEMENT 1b TO ATTACHMENT 3.1-A Page 1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:

SUPPLEMENT 1b TO ATTACHMENT 3.1-A Page 1

10. SUBJECT OF AMENDMENT:
Targeted Case Management – Medically Fragile Individuals

11. GOVERNOR'S REVIEW *(Check One)*:
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☒ OTHER, AS SPECIFIED:
The Governor's Office does not wish to review the State Plan Amendment.

ORIGINAL SIGNED

14. TITLE:
State Medicaid Director

15. DATE SUBMITTED: SEP 29 2015

16. RETURN TO:

Department of Health Care Services
Attn: State Plan Coordinator
1501 Capitol Avenue, Suite 71.3.26
P.O. Box 997417
Sacramento, CA 95899-7417

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:
Updated Geographic Area where Targeted Case Management services will be offered.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: CALIFORNIA

TARGETED CASE MANAGEMENT SERVICES
MEDICALLY FRAGILE INDIVIDUALS

Target Group (42 Code of Federal Regulations 441.18(a)(8)(i) and 441.18(a)(9)):
Medi-Cal eligible individuals, 18 years or older, who are medically fragile, and have multiple diagnoses. Such individuals must also be:

a) At high risk for medical compromise due to one of the following conditions:
   i) Failure to take advantage of necessary health care services, or
   ii) Non compliance with their prescribed medical regime, or
   iii) An inability to coordinate multiple medical, social and other services due to the existence of an unstable medical condition in need of stabilization, or
   iv) An inability to understand medical directions because of comprehension barriers, or
   v) A lack of community support system to assist in appropriate follow-up care at home, or
   vi) Substance abuse, or
   vii) A victim of abuse, neglect or violence; and
b) In need of assistance in accessing necessary medical, social, educational, or other services, when comprehensive case management is not being provided elsewhere.

X Target group includes individuals transitioning to a community setting. Case management services will be made available for up to 180 consecutive days of a covered stay in a medical institution. The target group does not include individuals between ages 22 and 64 who are served in Institutions for Mental Disease or individuals who are inmates of public institutions. (State Medicaid Directors Letter (SMDL), July 25, 2000).

For those individuals in this target group, who may receive case management services under a waiver program, case management services shall not be duplicated, in accordance with Section 191S(g) of the Social Security Act. This target group excludes persons enrolled in a Home and Community-Based Services waiver program from receipt of Targeted Case Management (TCM) Services.

There shall be a county-wide system to ensure coordination among TCM providers of case management services provided to Medi-Cal beneficiaries who are eligible to receive case management services from two or more programs.

Areas of State in which services will be provided (§1915(g)(1) of the Act):
Entire State.
X Only in the following geographic areas: Counties of Alameda, Amador, Butte, Contra Costa, El Dorado, Fresno, Humboldt, Imperial, Kern, Kings, Lake, Madera, Marin, Merced, Mendocino, Monterey, Napa, Orange, Placer, Riverside, Sacramento, San Diego, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Tulare, Tuolumne, Ventura, Yolo, Yuba, City of Berkeley, and City of Long Beach.

Comparability of Services (§§1902(a)(10)(B) and 1915(9)(1))
Services are provided in accordance with Section 1902(a)(10)(8) of the Act.
X Services are not comparable in amount, duration, and scope (§1915(g)(1)).

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: CALIFORNIA

TARGETED CASE MANAGEMENT SERVICES
MEDICALLY FRAGILE INDIVIDUALS

Definition of Services (42 CFR 440. 169): Targeted case management services are defined as services furnished to assist individuals, eligible under the State Plan, in gaining access to needed medical, social, educational and other services. Targeted Case Management includes the following assistance:

1. Comprehensive assessment and periodic reassessment of individual needs, to determine the need for any medical, educational, social or other services. These assessment activities include:
   - Taking client history;
   - Identifying the individual's needs and completing related documentation; and
   - Gathering information from other sources such as family members, medical providers, social workers, and educators (if necessary), to form a complete assessment of the eligible individual;

   Assessment and/or periodic reassessment to be conducted at a minimum of once every six months to determine if an individual's needs, conditions, and/or preferences have changed.

2. Development (and periodic revision) of a specific care plan that is based on the information collected through the assessment that:
   - Specifies the goals and actions to address the medical, social, educational, and other services needed by the individual;
   - Includes activities such as ensuring the active participation of the eligible individual, and working with the individual (or the individual's authorized health care decision maker) and others to develop those goals; and
   - Identifies a course of action to respond to the assessed needs of the eligible individual;

3. Referral and related activities (such as scheduling appointments for the individual) to help the eligible individual obtain needed services including:
   - Activities that help link the individual with medical, social, educational providers, or other programs and services that are capable of providing needed services to address identified needs and achieve goals specified in the care plan;

4. Monitoring and follow-up activities:
   - Activities and contacts that are necessary to ensure the care plan is implemented and adequately addresses the eligible individual's needs, and which may be with the individual, family members, service providers, or other entities or individuals and conducted as frequently as necessary, and including at least one annual monitoring, to determine whether the following conditions are met:
     - Services are being furnished in accordance with the individual's care plan;
     - Services in the care plan are adequate; and
     - Changes in the needs or status of the individual are reflected in the care plan. Monitoring and follow-up activities include making necessary adjustments in the care plan and service arrangements with providers.

   Periodic Reviews will be completed at least every six months. These activities may be conducted as specified in the care plan, or as frequently as necessary to ensure execution of the care plan.

Monitoring does not include ongoing evaluation or check-in of an individual when all care plan goals have been met.

X Case management includes contacts with non-eligible individuals that are directly related to identifying the eligible individual's needs and care, for the purposes of helping the eligible individual access services; identifying needs and supports to assist the eligible individual in obtaining services; providing case managers with useful feedback, and alerting case managers to changes in the eligible individual's needs. (42 CFR 440.169(e))

Qualifications of providers (42 CFR 441.18(a)(8)(v) and 42 CFR 441.18(b)):
TCM Provider Agency Qualifications:

- Establish a system to coordinate services for individuals who may be covered under another program which offers components of case management or coordination similar to TCM including, but not limited to, the coordination of services with Managed Care providers, California Children's Services, as well as State waiver programs (e.g. HIV/AIDS, etc.); and
- Demonstrated programmatic and administrative experience in providing comprehensive care management services and the ability to increase their capability to provide their services to the target group; and
- Must be an agency employing staff with case management qualifications; and
- Establish referral systems and demonstrated linkages and referral ability with essential social and health service agencies; and
- Have a minimum of five years providing comprehensive case management services to the target group; and
- Administrative capacity to ensure quality of services in accordance with state and federal requirements; and
- Financial management capacity and system that provides documentation of services and costs in accordance with OMB A-87 principles; and
- Capacity to document and maintain individual case records in accordance with state and federal requirements; and
- Demonstrated ability to meet state and federal requirements for documentation, billing and audits; and
- Ability to evaluate the effectiveness, accessibility and quality of TCM services on a community-wide basis.

TCM Case Manager Qualifications: Case managers employed by the case management agency must meet the requirements for education and/or experience as defined below:

- A Registered Nurse, or a Public Health Nurse with a license in active status to practice as a registered nurse in California; individual shall have met the educational and clinical experience requirements as defined by the California Board of Registered Nursing, or
- An individual with at least a Bachelor's degree from an accredited college or university, who has completed an agency-approved case management training course, or
- An individual with at least an Associate of Arts degree from an accredited college, who has completed an agency-approved case management training course and has two

years of experience performing case management duties in the health or human services field, or

- An individual who has completed an agency-approved case management training course and has four years of experience performing case management duties in a health or human services field.

Freedom of choice (42 CFR 441.18(a)(1):
The State assures that the provision of case management services will not restrict an individual's free choice of providers in violation of section 1902(a)(23) of the Act.

1. Eligible individuals will have free choice of any qualified Medicaid provider within the specified geographic area identified in this plan.
2. Eligible individuals will have free choice of any qualified Medicaid providers of other medical care under the plan.

Access to Services (42 CFR 441.18(a)(2). 42 CFR 441.18(a)(3). 42 CFR 441.18(a)(6):
The State assures the following:

- Case management (including targeted case management) services will not be used to restrict an individual's access to other services under the plan.
- Individuals will not be compelled to receive case management services, condition receipt of case management (or targeted case management) services on the receipt of other Medicaid services, or condition receipt of other Medicaid services on receipt of case management (or targeted case management) services; and
- Providers of case management services do not exercise the agency's authority to authorize or deny the provision of other services under the plan.

Payment (42 CFR 441.18(a)(4)):
Payment for case management or targeted case management services under the plan does not duplicate payments made to public agencies or private entities under other program authorities for this same purpose.

Case Records (42 CFR 441.18(a)(7)):
Providers maintain case records that document for all individuals receiving case management as follows: (i)the name of the individual; (ii) The dates of the case management services; (iii)The name of the provider agency (if relevant) and the person providing the case management service; (iv) The nature, content, units of the case management services received and whether goals specified in the care plan have been achieved; (v) Whether the individual has declined services in the care plan; (vi) The need for, and occurrences of, coordination with other case managers; (vii) A timeline for obtaining needed services; (viii) A timeline for reevaluation of the plan.

Limitations:
Case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in § 440.169 when the case management activities are an integral and inseparable component of another covered Medicaid service (State Medicaid Manual (SMM) 4302.F).

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: CALIFORNIA

TARGETED CASE MANAGEMENT
SERVICES MEDICALLY FRAGILE
INDIVIDUALS

Case management does not include, and FFP is not available in expenditures for, services defined in § 440.169 when the case management activities constitute the direct delivery of underlying medical, educational, social, or other services to which an eligible individual has been referred, including for foster care programs, services such as, but not limited to, the following: research gathering and completion of documentation required by the foster care program; assessing adoption placements; recruiting or interviewing potential foster care parents; serving legal papers; home investigations; providing transportatio11; administering foster care subsidies; making placement arrangements. (42 GFR 441.18(c))

FFP only is available for case management services or targeted case management services if there are no other third parties liable to pay for such services, including as reimbursement under a medical, social, educational, or other program except for case management that is included in an individualized education program or individualized family service plan consistent with §1903(c) of the Act. (§§1902(a)(25) and 1905(c))

Limitations on translation: Arranging for translation activities and/or providing translation as part of the TCM service, including the costs of purchasing translation services from a vendor to enable communication between the client and case manager, is included in the TCM rate. When a case manager provides translation that is unrelated to providing the TCM service, the translation is not claimable as TCM.

Case Management Services Do Not include:

- Program activities of the agency itself that do not meet the definition of TCM,
- Administrative activities necessary for the operation of the agency providing case management services rather than the overhead costs directly attributable to targeted case management,
- Diagnostic and/or treatment services,
- Restricting or limiting access to services, such as through prior authorization,
- Activities that are an essential part of Medicaid administration, such as outreach, intake processing, eligibility determination, or claims processing,
- Services that are an integral part of another service already reimbursed by Medicaid.

SPA Impact Form

State/Title/Plan Number: California/Medically Fragile Individuals/15-027

Federal Fiscal Impact:

a. FFY 2015/2016	$258,555
b. FFY 2016/2017	$535,354
c. FFY 2017/2018	$603,383

Number of People Affected by Enhanced Coverage, Benefits or Retained Eligibility: 0

Number of Potential Newly Eligible People: Undetermined
or
Eligibility Simplification: No

Number of People Losing Medicaid Eligibility: Undetermined

Reduces Benefits: No

Provider Payment Increase: No

Delivery System Innovation: No
(Examples: adding new provider types to provide a covered service, managed care delivery systems or other similar type plans.)

Comments/Remarks:

Sate Plan Amendment (SPA) 15-027 will amend the State Plan to add Mendocino County as a geographic area of the State in which Targeted Case Management (TCM) services will be provided (§1915(g)(1) of the Social Security Act). In the current approved SPA, TN No. 13-037, Mendocino County was not included as a provider of TCM Services to Medi-Cal beneficiaries that are eligible to be serviced under Target Population: Medically Fragile Individuals. Therefore, revisions were made to add Mendocino County.

SPA 15-027 will amend 13-037 SUPPLEMENT 1b TO ATTACHMENT 3.1-A Page 1

DHCS Contact: John Mendoza, Chief, Safety Net Financing Division, (916) 552-9130.

Date: July 1, 2015